



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

June 4, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE AMENDMENT
INFORMATION SYSTEMS ADVISORY BODY/
INTERNAL SERVICES DEPARTMENT/DISTRICT ATTORNEY
12750 CENTER COURT DRIVE, CERRITOS
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

Amend a lease for a five-year extension for the Information Systems Advisory Body (ISAB), the Internal Services Department (ISD), and the District Attorney (DA).

IT IS RECOMMENDATED THAT YOUR BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, per Section 15061 (b) (3) of the State CEQA Guidelines.
2. Approve and instruct the Chair to sign a five-year lease amendment with Cerritos Town Center II, LLC (Landlord) for ISAB, ISD, and the DA to occupy 20,187 rentable square feet of office space at 12750 Center Court Drive, Cerritos, at an initial annual rental cost of \$617,724. The program is net County cost.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

3. Approve the project and authorize the Chief Executive Office (CEO), ISAB, ISD, and the DA to implement the project. The lease will be effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current lease for this facility expired April 30, 2008, and the County is occupying on a month-to-month holdover basis. ISAB, ISD, and the DA requested that the lease extension be exercised for the uninterrupted continued operation of the program at the facility.

In 1982, the County co-located ISAB, ISD, and DA staff, forming a computer cooperative to develop and support the Criminal Justice Information System, which provides support for the intra, and inter-departmental systems within the Criminal Justice Enterprise (CJE). The CJE, with a total staff of 104, includes the Alternate Public Defender, DA, Probation, Public Defender, Superior Court, and Sheriff.

The proposed facility was designed specifically as a consolidated operation for ISAB, ISD, and the DA. The facility is equipped with expensive high-speed County data communication and workstation equipment which improves County and vendor development productivity, and provides a connection to ISD's Downey data center. It has been determined that the cost to duplicate the tenant improvements at this facility and move the applicable computer equipment to another location would be prohibitively expensive.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we enhance the quality and productivity of the County workforce (Goal 2) and that we strengthen the County's fiscal capacity (Goal 4). The proposed lease amendment supports these goals by providing a quality and efficient work environment, which is conducive to maximizing employee productivity, and by consolidating multiple departmental functions.

FISCAL IMPACT/FINANCING

The proposed lease amendment will continue to house ISAB, ISD, and the DA in 20,187 square feet of office space and 81 parking spaces for \$51,477 per month, or \$617,724 annually, with \$12 per square foot of base tenant improvements included in the rent.

12750 Center Court Dr. Cerritos	Existing Lease	Proposed Lease	Change
Total Area	20,187	20,187	None
Term	Five years (5/1/03-4/30/08)	Five years (upon Board acceptance)	None
Annual Base Rent	\$448,152 (\$22.20/sq.ft.)	\$617,724 (\$30.60/sq.ft.)	+\$169,572
Base Tenant Improvement (TI) Allowance	\$100,935 (\$5/sq.ft.)	\$242,244 (\$12/sq.ft.)	+\$141,309
Cancellation	After the 24 th month, with 120 days notice.	After 36 th month with 5 months notice.	+12 months
Parking (included in Rent)	81	81	None
Option to Renew	None	None	None
Annual Rental Adjustment	None	3 percent fixed	+3 percent fixed
Operating Expenses	Pass-thru over base year	Pass-thru over base year	None

Sufficient funding for the proposed lease costs is included in the 2007-08 Rent Expense budget and will be billed back to the departments and charged as follows: ISAB 36 percent, ISD 40 percent, and DA 24 percent. Sufficient funding is included in the proposed 2008-09 budget to cover the projected lease costs. The rental cost for the lease is a net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed five-year lease amendment comprises 20,187 square feet of office space and 81 parking spaces. The proposed lease contains the following provisions:

- A five-year term commencing upon Board adoption.
- A TI allowance of \$242,244 or \$12 per square foot, included in the base rental rate for improvement of the premises, including carpet, vinyl flooring, paint, and HVAC.
- A cancellation provision allowing the County to cancel anytime after the thirty-sixth month upon five months prior written notice.

- A full-service gross basis whereby the Landlord is responsible for the operational and maintenance costs associated with the premises. Incremental operating expenses beyond the 2008 base year level will be billed to the County.
- Annual fixed step increases of 3 percent per annum through the term of the lease.

CEO Real Estate staff conducted a survey of the area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could suitably accommodate this requirement. Based upon said survey, staff has established that the rental range for similar office space is between \$25.20 and \$36.00 per square foot per year on a full service gross basis, i.e., including operational and maintenance costs as well as utilities and janitorial expenses, exclusive of utilities over the base year level. Thus, the base annual rent of \$30.60 full-service gross for the proposed lease represents a rate within the range of market for the greater Cerritos area.

The proposed space is within the preferred five-mile radius in proximity to the Criminal Justice agencies located in Norwalk, Downey, and Bellflower. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Attachment B shows County-owned or leased facilities within the search areas and there are no County-owned or leased facilities available for this program.

The Department of Public Works has reviewed this facility and found it suitable for the County's occupancy. The subject facility is too small and it would be too costly to accommodate an on-site child care facility.

ENVIRONMENTAL DOCUMENTATION

This office has made a preliminary review of environmental factors and has concluded that these leases are categorically exempt from CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061 (b) (3) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

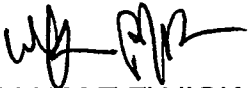
The proposed lease amendment will provide the necessary office space for this County requirement.

The Honorable Board of Supervisors
June 4, 2008
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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed lease amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:FC:hd

Attachments (3)

c: County Counsel
Information Systems Advisory Body
District Attorney
Internal Services Department

**INFORMATION SYSTEMS ADVISORY BODY/
INTERNAL SERVICES DEPARTMENT/DISTRICT ATTORNEY
12750 CENTER COURT DRIVE, CERRITOS
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² ISAB is a consortium with the DA and ISD in support of various countywide departments.		X	
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Lease represents approximately 194 square feet per person.	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?			X
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? The County intends on eventually placing this program in a centralized Data Center.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?	X		
D	Why was this program not co-located?			X
	1. ____ The program clientele requires a "stand alone" facility.			
	2. ____ No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. <u>X</u> The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

**INFORMATION SYSTEMS ADVISORY BODY/
INTERNAL SERVICES DEPARTMENT/DISTRICT ATTORNEY
SPACE SEARCH FIVE-MILE RADIUS
FROM 12440 EAST IMPERIAL HIGHWAY, NORWALK
(CENTRAL LOCATION FROM CRIMINAL JUSTICE AGENCIES)**

FACILITY NAME	ADDRESS	SQUARE		OWNERSHIP	SQUARE FEET AVAILABLE
		GROSS	NET		
0872 AG COMM/WTS&MEAS-PICO RIVERA WAREHOUSE(CLSED)	8841 E SLAUSON AVE, PICO RIVERA 90660	8902	5328	OWNED	5328
3724 PUBLIC LIBRARY-SORENSEN LIBRARY	11405 ROSEHEDGE DR, WHITTIER 90605	1048	913	OWNED	NONE
3331 WHITTIER COURTHOUSE (CIVIC CENTR BLDGS A & B)	7339 S PAINTER AVE, WHITTIER 90602	91402	48189	OWNED	NONE
X022 PROBATION-INTERNAL AUDITS OFFICE	7639 S PAINTER AVE, WHITTIER 90602	2694	1870	OWNED	NONE
4216 PH-WHITTIER PUBLIC HEALTH CENTER	7643 S PAINTER AVE, WHITTIER 90602	17552	7409	OWNED	NONE
5641 PUBLIC LIBRARY-RIVERA LIBRARY	7828 S SERAPIS AVE, PICO RIVERA 90660	6724	5404	OWNED	NONE
A355 DCFS-REGION IV OFFICES AND TRAINING CENTER	10355 SLUSHER DR, SANTA FE SPRINGS 90670	65568	50633	LEASED	NONE
A498 DCFS-KINSHIP SUPPORT SERVICES PROGRAM CENTER	9834 NORWALK BLVD, SANTA FE SPRINGS 90670	5875	5580	LEASED	NONE
6335 PROBATION-RIO HONDO AREA OFFICE	8240 S BROADWAY, WHITTIER 90606	19997	12942	OWNED	NONE
Y300 LOS NIETOS COMMUNITY SENIOR CENTER & LIBRARY	11640 E SLAUSON AVE (SANTA FE SPRINGS), WHITTIER 90606	16374	15877	OWNED	NONE
A566 SHERIFF - SO CAL HIGH TECH TASK FORCE	9900 NORWALK BLVD, SANTA FE SPRINGS 90670	22880	21736	LEASED	NONE
A511 DCFS-SOUTH WHITTIER COMMUNITY RESOURCE CENTER	10750 LAUREL AVE, WHITTIER 90605	150	150	GRATIS USE	NONE
A279 DPW-SOUTH WHITTIER DISTRICT/SHERIFF'S SUB-STN	13523 TELEGRAPH RD, SOUTH WHITTIER 90605	3104	2926	LEASED	NONE
Y531 STAR CENTER-ADMINISTRATION BUILDING	11515 S COLIMA RD, WHITTIER 90604	8884	5780	FINANCED	NONE
Y533 STAR CENTER-ACADEMY BUILDING C	11515 S COLIMA RD, WHITTIER 90604	15578	8104	FINANCED	NONE
Y534 STAR CENTER-ACADEMY BUILDING D	11515 S COLIMA RD, WHITTIER 90604	16551	10983	FINANCED	NONE
Y535 STAR CENTER-ACADEMY BUILDING E	11515 S COLIMA RD, WHITTIER 90604	19984	12864	FINANCED	NONE
Y542 STAR CENTER-ACADEMY BUILDING M	11515 S COLIMA RD, WHITTIER 90604	9097	7847	FINANCED	NONE
0092 PW ROAD-DIV #146 SUBYARD OFFICE	13671 TELEGRAPH RD, SOUTH WHITTIER 90604	576	518	OWNED	NONE
E485 PUBLIC LIBRARY-SOUTH WHITTIER LIBRARY	14433 LEFFINGWELL RD, WHITTIER 90604-2966	3294	2968	OWNED	NONE
6059 DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG	9150 E IMPERIAL HWY, DOWNEY 90242	327972	264536	OWNED	NONE
4401 DHS-BELLFLOWER HEALTH CENTER	10005 E FLOWER ST, BELLFLOWER 90706	15524	9053	OWNED	NONE
0005 BELLFLOWER COURTHOUSE	10025 E FLOWER ST, BELLFLOWER 90706	110286	34647	OWNED	NONE
6444 PUBLIC LIBRARY-CLIFTON M BRAKENSTIEK LIBRARY	9945 E FLOWER ST, BELLFLOWER 90706	20160	17078	OWNED	NONE
D210 PUBLIC LIBRARY-ALONDRA LIBRARY	11949 E ALONDRA BLVD, NORWALK 90650	6000	5061	PERMIT	NONE
5368 PUBLIC LIBRARY-NORWALK REGIONAL LIBRARY	12350 E IMPERIAL HWY, NORWALK 90650	33749	27529	OWNED	NONE
X168 HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLD	12400 E IMPERIAL HWY, NORWALK 90650	262510	240600	FINANCED	NONE
5685 NORWALK COURTHOUSE	12720 NORWALK BLVD, NORWALK 90650	225008	111898	OWNED	NONE
A068 NORWALK IMPERIAL CENTRE (AKA BECHTEL BLDG)	12440 E IMPERIAL HWY, NORWALK 90650	212747	191493	LEASED	NONE
D221 DPSS-NORWALK WS DISTRICT OFFICE	12727 NORWALK BLVD, NORWALK 90650	40500	30928	LEASED	NONE
A022 ALT PUB DEFENDER-NORWALK OFFICE	12440 (A) FIRESTONE BLVD, NORWALK 90650	2150	1940	LEASED	NONE
A358 DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE	14714 CARMENITA RD, NORWALK 90650	44250	42038	LEASED	NONE
6418 PUBLIC LIBRARY-LA MIRADA LIBRARY	13800 LA MIRADA BLVD, LA MIRADA 90638	15704	13061	OWNED	NONE
5867 PUBLIC LIBRARY-ANGELO M IACOBONI LIBRARY	4990 N CLARK AVE, LAKEWOOD 90712	22000	20762	ROUND LEAS	NONE
A080 PUBLIC LIBRARY-ARTESIA LIBRARY	18722 S CLARKDALE AVE, ARTESIA 90701	10300	9504	LEASED	NONE

**AMENDMENT NO. 4 TO LEASE NO. 65676
DISTRICT ATTORNEY, INTERNAL SERVICES DEPARTMENT AND
INFORMATION SYSTEMS ADVISORY BOARD**

THIS AMENDMENT NO. 4 TO LEASE NO. 65676 ("Amendment" or "Amendment No. 4") is made and entered into as of this _____ day of _____, 2008, by and between CERRITOS OFFICE CENTER II, LLC, a Delaware limited liability company, ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

WHEREAS, CERRITOS OFFICE CENTER II, LLC, a Delaware limited liability company is the successor in interest to EOP-CERRITOS TOWNE CENTER, LLC, a Delaware limited liability company ("EOP"), and as such has assumed all obligations of EOP pertaining to Lease No. 65676 (the "Lease") originally entered into on December 10, 1991, whereby Original Lessor (as defined below) leased to Lessee approximately 20,187 rentable square feet of office space commonly known as (the "Premises") in the building located at 12750 Center Court Drive, Cerritos, CA (the "Building"), for a term of sixty (60) months, and;

WHEREAS, AMENDMENT NO. 1 to said Lease No. 65676 was made and entered into on April 8th, 1997, and the Lease was extended for a period of thirty-six (36) months subject to the conditions contained therein, and;

WHEREAS, AMENDMENT NO. 2 to said Lease No. 65676 was made and entered into on February 29, 2000, and the Lease was extended for a period of thirty-six (36) months and four days subject to the conditions therein, and;

WHEREAS, AMENDMENT NO. 3 to said Lease No. 65676 was made and entered into on April 15, 2003, and the Lease was extended for a period of sixty (60) months and four days subject to the conditions therein, and;

WHEREAS, EOP is the successor in interest to SPIEKER PROPERTIES, L.P. ("Spieker"), and as such, assumed all obligations of Spieker pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, SPIEKER is the successor in interest to BLOOMFIELD ASSOCIATES, ("Original Lessor,") and as such, assumed all obligations of Original Lessor pertaining to Lease No. 65676, and the amendments thereto, and;

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of extending the term of the Lease and modifying certain provisions of the Lease as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, and are intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 65676 as follows:

1. Paragraph 2, TERM, of the Lease is hereby deleted in its entirety, and replaced with the following:

Extension of Term: The extended term of the Lease shall be for a period of sixty (60) months (the "Extended Term") commencing upon approval of this Amendment by the Board of Supervisors (the "**Extended Term Commencement Date**"), but in no event sooner than May 1, 2008, and ending sixty months thereafter. The effectiveness of this Amendment shall be expressly contingent upon its approval by the Board of Supervisors of the County of Los Angeles. If for any reason this Amendment has not been approved by the Board of Supervisors of the County of Los Angeles by May 1, 2008, Lessee shall continue to pay rent under the Lease at the existing rate until this Amendment is approved and the Extended Term Commencement Date occurs.

2. Paragraph 3, RENT, of the Lease is hereby deleted in its entirety, and replaced with the following:

A. Rent: Lessee agrees to pay as Basic Rent for the Premises the sum of FIFTY ONE THOUSAND, FOUR HUNDRED SEVENTY SIX AND 85/100 DOLLARS (\$51,476.85) per month, i.e. \$2.55 per rentable square foot per month, during the first year of the Extended Term within 15 days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

B. Rental Adjustment: On each anniversary of the Extended Term Commencement Date, Basic Rent for the Extended Term shall be increased by three percent (3%) over the Basic Rent due immediately prior to such anniversary as follows:

<u>Year</u>	<u>Approximate Monthly Basic Rent /Square foot</u>	<u>Monthly Basic Rent</u>
1	\$2.55	\$51,476.85
2	\$2.63	\$53,021.16
3	\$2.71	\$54,611.79
4	\$2.79	\$56,250.14
5	\$2.87	\$57,937.65

3. Paragraph 26, OPERATING COSTS, of the Lease is hereby amended as follows:

For purposes of calculating Lessor's Base Year Costs during the Extended Term under Paragraph 26 of the Lease, the definition of "Base Year" shall be amended to reflect the calendar year 2008. Applicable costs in excess of the Base Year will be paid by Lessee based on its pro rata share of such costs.

4. Paragraph 25, LESSEE IMPROVEMENTS, of the Lease is hereby deleted in its entirety, and replaced with the following:

A. Lessee acknowledges that it is already in possession of the Premises pursuant to Lease No. 65676, and that Lessor shall be deemed to have delivered possession of the Premises to Lessee on the Extended Term Commencement Date in an "as-is" condition with no alterations or improvements being made by Lessor except the following:

B. Tenant Improvements: Lessor agrees to provide Lessee with an allowance of \$12.00 per rentable square foot (i.e. \$242,244.00) (the "**Tenant Improvement Allowance**"), following the Extended Term Commencement Date, to be used to perform the work more particularly described in Exhibit A attached hereto and incorporated herein by this reference (collectively, the "**Lessor Work**"). The Lessor Work shall be performed using Building standard materials, procedures and specifications, as set forth in Exhibit A hereof. Lessor agrees to perform the Lessor Work before 7:00 a.m. or after 6:00 p.m. on Mondays through Fridays and/or at any time on the weekends. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the construction of the Lessor Work. Notwithstanding the immediately preceding sentence, in connection with the performance of the Lessor Work, Lessor agrees to move, to the extent necessary, but at no liability to Lessor, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Lessor Work; provided, however, Lessee shall be required to move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Lessor Work in a manner so as to minimize unreasonable interference with Lessee's business at the Premises. Lessor shall endeavor to perform all Lessor Work within three (3) months of the approval of this Amendment by the Board of Supervisors of the County of Los Angeles.

C. Unused Allowance: In the event that all or a portion of the Tenant Improvement Allowance is not utilized for the Lessor Work, then such unused amount shall be credited to the Basic Rent owed by Lessee pursuant to Paragraph 3 of the Lease for the two (2) months (or more, if required) immediately following completion of the Lessor Work. Lessor shall provide to Lessee a detailed breakdown of the total improvement costs. Such breakdown shall be in the form of the Memorandum of Tenant Improvement Cost attached hereto as Exhibit "B" and incorporated herein by this reference and shall be executed by the parties within thirty (30) days after Lessor delivers the same to Lessee. Lessee shall have the right to audit such costs for a period of twelve (12) months from the date such breakdown is delivered to Lessee. The Lessee's Chief Executive Office ("CEO") shall be authorized to sign the Memorandum of Tenant Improvement Cost on behalf of the Lessee.

5. Paragraph 40, TENANT'S RIGHT OF TERMINATION, of the Lease is hereby deleted in its entirety, and replaced with the following:

Lessee shall have the right to cancel this Lease at or any time after the expiration of the thirty sixth (36th) month of the Extended Term by giving Lessor five (5) months prior written notice of its intent to cancel by letter from the CEO. If such cancellation is exercised, Lessee shall reimburse Lessor no later than thirty (30) days after such cancellation in a lump sum for the unamortized cost of (A) the leasing commissions paid by Lessor in connection with this Amendment, including the amount paid to Lessee pursuant to Section 8 of this Amendment, and (B) the Tenant Improvement Allowance. Amortization pursuant to the preceding sentence shall be based upon a five (5) year amortization period, measured from the Extended Term Commencement Date, and an annual interest rate of 9%.

6. Paragraph 10, UTILITIES, subparagraph B of the Lease is hereby amended as follows:

After-Hours Charges: In Paragraph 10, subparagraph B of the Lease, the "After-hours Charges" for the Extended Term shall be amended to reflect the amount then currently charged by Lessor for such extra service, which amount is currently \$75.00 per hour.

7. Paragraph 15, NOTICES, of the Lease is hereby deleted in its entirety, and replaced with the following:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Cerritos Town Center II
Tiarna Real Estate Services, Inc.
12750 Center Court Drive, Suite 440
Cerritos, CA 90703
Attn: Henryk A. Paciorek, Portfolio Manager
Phone: (562) 403-2119
Fax: (562) 924-3087
Hpaciorek@Tiarna.com

with a copy to:

Cerritos Town Center II
c/o Principal Real Estate Investors
CRE Equities – Western States Region
801 Grand Avenue
Des Moines, IA 50392-1370
Attn: Joel L. Woehler

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
Attention: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

8. Paragraph 33, ADDITIONAL MISCELLANEOUS, of the Lease is hereby amended by deleting the subsection entitled "Brokers" and replacing it with the following:

Brokers: Lessor and Lessee agree Lessee shall receive from Lessor or Lessor's broker, within ten days after the execution of this Amendment, an amount equal to \$65,591.42 (i.e., two percent (2%) of all commissions due to Lessor's broker as a result of this execution of this Amendment). Each party represents and warrants to the other that no broker, agent or finder, other than Lessor's broker, Cushman & Wakefield of California, Inc., negotiated or was instrumental in negotiating or consummating this Amendment. Each party further agrees to defend, indemnify and hold harmless the other party from and against any claim for commission or finder's fee by any person or entity, other than Lessor's broker referenced above, who claims or alleges that they were retained or engaged by the indemnifying party or at the request of such party in connection with this Amendment.

9. Original Lease in Full Force. Notwithstanding anything to the contrary herein, all of the terms and conditions contained in the Lease and the prior amendments to the Lease, which are not modified by this Amendment -shall remain in full force and effect. In the event of a conflict between the Lease and the prior amendments to the Lease and this Amendment, the terms of this Amendment shall control.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested to by the Clerk thereof the day, month, and year first above written.

"LESSOR"

CERRITOS TOWN CENTER II, LLC

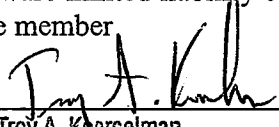
a Delaware limited liability company


By: SOUTH BURGUNDY PLACE REIT, LLC,
a Delaware limited liability company

By: PRINCIPAL ENHANCED PROPERTY
FUND, L.P.,
a Delaware limited partnership, its member

By: PRINCIPAL ENHANCED PROPERTY
FUND GP, LLC,
a Delaware limited liability company,
its general partner

By: PRINCIPAL REAL ESTATE
INVESTORS, LLC,
a Delaware limited liability company,
its sole member

By: 
Name: Troy A. Koerselman
Title: Assistant Managing Director
Asset Management

By: 
Name: Douglas A. Kinzie
Title: Managing Director -
Asset Management

MAY 14 2008

--SIGNATURES CONTINUED ON NEXT PAGE--

"LESSEE"

COUNTY OF LOS ANGELES,
a body corporate and politic

By: _____
Name: YVONNE B. BURKE
Its: Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI,
Executive Officer-Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By: 
Deputy County Counsel

EXHIBIT A

LESSOR WORK

Lessor, at Lessor's sole cost and expense, shall perform the following Lessor Work in the Premises, utilizing Lessor's current standard grade, quality, make, style, design and color materials and construction methods for the Building, as applicable:

Paint:

- A. Re-paint all existing interior hallways and corridors within the Premises and touch-up paint all other interior portions of the Premises to the extent needed, using paint that matches the existing paint in the Premises.

Carpet:

- A. Install new carpet throughout, including corridors and existing stairways, where carpet is currently installed.
- B. Carpet shall be textured, patterned modular carpet tile, 24oz. minimum yarn weight throughout. Allow for four (4) patterns.
- C. Specify Mannington, Masland, Designweave, Shaw Contract, or approved equal.
- D. Lessor will be responsible for the furniture lift for carpet replacement, including moving any furniture, fixtures, and/or equipment (including the disconnection of electrical equipment), and other property which Lessor or its contractor may require be moved to perform the work, provided however, that upon prior notice from Lessor or its contractor, Lessee shall arrange for all appropriate telephone, communication and computer wires or cables to be disconnected in advance of the moving of such equipment. Lessor and Lessee hereby agree to cooperate with the other party and exercise reasonable, good faith efforts to coordinate the timing and planning of the Tenant Improvement work.

EXHIBIT B

MEMORANDUM OF TENANT IMPROVEMENT COST

This Agreement is dated this _____ day of _____, 200_, for reference purposes only, by and between Lessor, CERRITOS TOWN CENTER II, LLC, a Delaware limited liability company, and Lessee, COUNTY OF LOS ANGELES, a body politic and corporate.

1. The parties hereto have entered into **Amendment No. 4** to Lease No. 65676 dated as of _____, 200_ (the "Amendment") for the building located at 12750 Center Court Drive, Suite 500, Cerritos, CA (the "Premises").

2. Lessor and Lessee hereby confirm that the final total cost of the Lessor Work for the demised premises which have been completed pursuant to Section 4 (B) of this Amendment is \$ _____. The remaining balance of the Tenant Improvement Allowance available for Lessee as unused allowance pursuant to Paragraph 4(C) of this Amendment, equals \$ _____.

3. The amount of the unused Tenant Improvement Allowance shall be credited to Basic Rent owed by the Lessee pursuant to Section 2 of this Amendment for the two (2) months immediately following completion of the Lessor Work, payable within 30 days of execution of this Exhibit.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

--SIGNATURES ON NEXT PAGE--

"LESSOR"

CERRITOS TOWN CENTER II, LLC

a Delaware limited liability company

By: SOUTH BURGUNDY PLACE REIT, LLC,
a Delaware limited liability company

By: PRINCIPAL ENHANCED PROPERTY
FUND, L.P.,
a Delaware limited partnership, its member

By: PRINCIPAL ENHANCED PROPERTY
FUND GP, LLC,
a Delaware limited liability company,
its general partner

By: PRINCIPAL REAL ESTATE
INVESTORS, LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

"LESSEE"

COUNTY OF LOS ANGELES

a body politic and corporate

By: _____
Name: _____
Its: _____